

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Complaint on Sunday
and Holiday Collections

Docket No. C2001-1

OBJECTION OF THE UNITED STATES POSTAL SERVICE
TO CARLSON INTERROGATORIES DFC/USPS-25, 31, 40, 50 and 53
(June 28, 2001)

On June 21, 2001, DFC/USPS-25 - 58 were filed. As discussed below, while the Postal Service may provide full or partial responses to some of these questions and requests for the production of documents, it objects to items 25, 31, 40, 50, and 53. For purposes of convenience, the full text of those items are attached.

DFC/USPS-25

The Postal Service's objection to this interrogatory is partial, in that sense that responses will be filed, but they will not provide the additional data in the format requested. Parts a.-c. of the question essentially request that the data in USPS-LR-2 be recut to deal with the possibility that the data as currently presented are skewed because of assumed growth over time of the benchmark volumes (average daily cancellations). As discussed at some length in the revised response to DFC/USPS-10(b) filed today, while that assumption is not unreasonable on its face, data at the nationwide level do not support it. The Postal Service is prepared to file responses to parts a.-c. of question 25 that discuss the matter (at the nationwide level) in more detail. The Postal Service objects, however, to the burden that would be involved in providing the recut data as requested. There is no reason to believe that the recut data would

differ materially from the current data, at least in ways that are anything other than more or less random. Rather than clarify the picture of holiday mail processing provided in LR-2, the recut data would, if anything, muddy the water by resulting in two sets of data, each with 30,000-35,000 observations, which are essentially the same in broad outline, but perhaps slightly different in the details. Under these circumstances, the record would not be enhanced by inclusion of this material even if the recut data set were already available. It is not, and the burden involved, up to several days of spreadsheet manipulations, is not warranted.

Part d. of question 25 introduces the matter of Saturday mail processing volumes. Once again, the Postal Service is willing to provide an answer based on national data that explains why facility-level data on this issue are not likely to be useful. (That answer will address, in essence, the robustness of the general relationship between average volumes and Saturday volumes, and how that relationship has remained stable over time.) The Postal Service objects, however to the burden that would be involved in recutting the data in the format requested by this part of the question. The burden would once again be up to several days of spreadsheet manipulation. The result would once again be nothing more than a variation on a theme already amply developed within LR-2 as currently formatted.

As discussed in today's Postal Service's response in opposition to the motion to compel a response to DFC/USPS-10(b), a discussion incorporated herein by reference, there is already ample historical holiday volume level data available, and simply trying to refine the type of analysis presented in LR-2 is not going to aid in resolution of the core issues of this proceeding.

DFC/USPS-31

This item seeks copies of the documents summarized in the response to DFC/USPS-14, relating to early collections on or around holidays. Under the rules, the Postal Service could simply file a response that the existing documents are available for inspection at Postal Service Headquarters. See Rule 27(b). Since Mr. Carlson is not local, however, such a response would not suit his purposes. On the other hand, segregating relevant from irrelevant documents, making copies, and formatting a library reference will take anywhere from half a day to a full day. It was hoped that the summarization in DFC/USPS-14 would have allowed this further burden to be avoided. Depending on the amount of time and resources available in the period before the answer is due, the Postal Service will attempt to provide the requested information using the most useful means possible. The Postal Service, however, reserves its right merely to permit inspection.

DFC/USPS-40

This question appears to seek what amounts to a subset of the same information requested in DFC/USPS-31. Please see the preceding paragraph.

DFC/USPS-50

This item seeks information regarding plants that may have reported zero cancellations on a holiday in 2000 or 2001 because the mail collected by the plant was transported to another plant for processing pursuant to a holiday consolidation plan. The question, as well as a similar one from Mr. Popkin, relates to the fact that merely because LR-2 reports non-zero volume for a facility on a holiday one year, and zero volume on the same holiday the next year, customer service may actually have been

unaffected because of the initiation of a consolidation plan during the second year.

The Postal Service appreciates the fact that, in the context of an analysis based solely on the number of plants cancelling mail on any given holiday over time, these questions are intended to elicit information that would actually suggest that the true level of change in holiday service may not be as great as it appears. The requested information, however, is not available at Headquarters, and would require extensive communication with local officials, at least down to the District level in some instances. Those officials would have to search their files and communicate the results of those searches back up the line. While the local search effort would not be trivial, perhaps one or two hours per office, the major effort involved would be coordinating the communication aspect. Many days of work, over a period of at least several weeks, would be involved at the Headquarters level in developing a comprehensive response.

If the objective of this proceeding was to paint as full and complete a picture of holiday processing at the level of individual facilities over history as humanly possible, the information sought by this question might be a marginally useful supplement to LR-2. In fact, however, the objective of this proceeding is not to develop the definitive historical data base on holiday processing, and certainly not to do so at the facility level. Aggregating data to the national level, as provided today in the supplemental response to DFC/USPS-10(b), is a much more efficient and useful way to address the issues in this proceeding. Specifically in terms of the matters raised by this interrogatory, it has the added advantage of obviating any alleged concern over the level of local consolidation of holiday operations.

As discussed in today's Postal Service's response in opposition to the motion to

compel a response to DFC/USPS-10(b), a discussion incorporated herein by reference, there is already ample historical holiday volume level data available, and simply trying to refine the type of analysis presented in LR-2 is not going to aid in resolution of the core issues of this proceeding.

Therefore, the Postal Service objects to DFC/USPS-50 on the grounds of burden and materiality. To the extent that holiday consolidation is an area of interest, however, two additional points merit mention. First, USPS-LR-3 already contains some illustrative information about the practice in the Pacific Area. Second, careful examination of the existing data in LR-2 would identify at least some potential instances of the initiation of consolidation plans. These occur when volumes at one or more plants in an area drop to zero in a year when volumes at an nearby plant in the same area materially increase. (Even though the data in LR-2 are presented as ratios, the constant denominator allows calculation of year-to-year percentage changes in holiday volume at any given plant.) Thus, to the extent that anyone is interested in the topic, potentially useful information might be gleaned from LR-2. More fundamentally, however, information about consolidation practices, like other volume data, shed no light on whether mail is in the system on holidays because mailers simply find it more convenient to deposit it then, or because they truly want the Postal Service to undertake whatever extraordinary efforts might be necessary to move the mail on the holiday.

DFC/USPS-53

This question is as follows:

DFC/USPS-53. Please provide all reports, studies, literature, and other

documents in the possession of Postal Service marketing staff or other staff that describe, either in specific terms or general conceptual terms, the number of times that an advertising or other message should run, and the frequency with which it should run, in order to reach particular or desired percentages of the audience, as well as the number of media outlets in which an advertising message should run in order to reach particular or desired percentages of the population.

This item is a rather blatant attempt to shift to the Postal Service the burden of developing evidence on a point Mr. Carlson apparently feels the need to inject into the case. Mr. Carlson is as capable of conducting a literature search on this topic as is the Postal Service. Moreover, the relevance of advertising practices to this case is not apparent. Perhaps the question is somehow intended to relate to notification of the public of holiday service changes via the media. The purpose of such communications, however, are very different from the purposes of advertising, which might include, for example, promotion of brand awareness or promotion of product awareness. In any event, whatever Mr. Carlson's interest in this topic, the burden is his to locate the information he believes to be relevant, and sponsor that information for the record. The mere fact that someone who works for the Postal Service may have a book on their shelf which discusses advertising strategies creates no obligation on the part of the Postal Service to produce that book for Mr. Carlson.

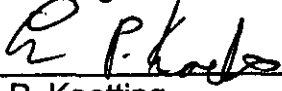
Therefore, the Postal Service objects to DFC/USPS-25, 31, 40, 50, and 53 on the grounds stated above.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice, I have this day served the foregoing document upon:

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June 28, 2001

DFC/USPS-25. Please refer to the response to DFC/USPS-10.

- a. Please confirm that the average daily cancellation volume of First-Class Mail provided in USPS-LR-2 has, for most facilities, generally risen over time between 1992 and 2001. If you do not confirm, please provide the number of facilities for which the average daily cancellation volume generally has fallen over time between 1992 and 2001. (If necessary to remove any ambiguity in any part of this interrogatory, an average daily cancellation volume can be considered to have risen over time between 1992 and 2001 if the average daily cancellation volume in FY 2000 is higher than the average daily cancellation volume in 1992.)
- b. For facilities whose average daily cancellation volume of First-Class Mail has risen over time between 1992 and 2001, please confirm that reporting a ratio of cancellations on holidays to average daily cancellations in FY 2000 understates or underestimates the actual quantity of mail cancelled on holidays in the earlier years when average daily cancellation volume was lower than it was in FY 2000. If you do not confirm, please explain.
- c. For each holiday for each facility identified in USPS-LR-2, please provide the ratio of holiday cancellation volume to average daily cancellation volume for the fiscal year most recent to the holiday.
- d. For each holiday for each facility identified in USPS-LR-2, please provide the ratio of holiday cancellation volume to average Saturday cancellation volume for the fiscal year most recent to the holiday. If the average Saturday cancellation volume for the fiscal year most recent to the holiday is not available, please provide the ratio of holiday cancellation volume to average Saturday cancellation volume in FY 2000.

DFC/USPS-31. Please refer to the response to DFC/USPS-14. Please provide all documents describing local adjustments to collection schedules relating to federal holidays, including local adjustments to collection schedules on the day or days preceding federal holidays.

DFC/USPS-40. Please refer to the response to DFC/USPS-17. Please provide copies of all documentation submitted to Lizbeth Dobbins, manager, Customer Satisfaction Measurement, in response to the November 16, 1999, memo.

DFC/USPS-50. Please refer to the data provided in USPS-LR-2. For 2000 and 2001, for all the plants that, according to the data, did not process outgoing First-Class Mail on holidays, please identify whether those plants sent their outgoing First-Class Mail to another plant for processing under an "Area Mail Processing" or consolidation plan and, if so, the plant to which they sent the mail.

DFC/USPS-53. Please provide all reports, studies, literature, and other documents in the possession of Postal Service marketing staff or other staff that describe, either in specific terms or general conceptual terms, the number of times that an advertising or other message should run, and the frequency with which it should run, in order to reach particular or desired percentages of the audience, as well as the number of media outlets in which an advertising message should run in order to reach particular or desired percentages of the population.